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IRS CUSTOMER SERVICE IMPROVEMENTS

Easier Access to Information

- In 1996, IRS expanded its information services beyond the traditional telephone and walk-in assistance to include a Website, TeleFax -- offering forms and instructions by return fax -- and a CD-ROM disk with forms and publications.
- The IRS Website had 117 million hits during the 1997 filing season, including 6.3 million downloads, up from 54 million hits and 2.4 million downloads in 1996.
- TaxFax sent nearly 600,000 faxes in the 1997 filing season, up from 50,000 in 1996. Users could request up to three items per transmission.
- IRS regularly adds user-friendly pages and services to its Website, including highlights of the new tax law, frequently asked questions, new developments in tax administration and an interactive guide to common tax issues.
- In the first 11 months of FY-97 (through August), the level of access on the toll-free lines was 68%, up from 46% for the same period in FY-96, with over 100 million calls handled on both live and automated assistance lines.
- IRS offered extended hours of live phone assistance on President's Day, two Saturdays and the final four days of 1997 filing season.
- Beginning January 5, 1998, the live assistance lines will be open 7 AM to 11 PM, Monday through Saturday.

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Easier Transactions through Electronic Methods

- Individuals filed 19.1 million electronic returns in 1997, up from 15 million in 1996.
- There were 14.4 million standard electronic returns in 1997, up from 12.1 million in 1996. This system, nationwide since 1990, features computer-prepared returns transmitted to the IRS.
- There were 4.7 million TeleFile returns in 1997, up from 2.8 million in 1996, when this file-by-phone system became available nationwide. Most TeleFile calls take less than 10 minutes to complete.
- The OnLine Filing program -- in which home computer users send their tax return information to the IRS through a third-party transmitter -- had 367,000 returns in 1997, more than double the 157,000 in 1996.
- Businesses filed about 364,000 Forms 941 -- quarterly employment tax returns -- electronically for tax year 1996, up from 281,000 for 1995.
- Telephone filing for Form 941 is being tested in southeastern states and will be available nationwide in 1998. The IRS received more than 100,000 941-TeleFile returns for the first half of 1997. About 25% of businesses will be eligible to use this system in 1998.
- 16.4 million taxpayers had refunds deposited directly to their bank accounts in 1997, up from 10.4 million in 1997. The IRS plans to offer an electronic payment option in 1999.
- More than 1 million businesses are now using EFTPS for federal tax deposits, including nearly 200,000 who will not be required to do so next year.

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Streamlined Collection Procedures

- In 1992, IRS allowed those owing tax to request installment agreements when they filed returns or received a bill from the IRS. Taxpayers may set their own payment schedules, subject to IRS approval. The IRS also eased the process for those who cannot fully pay to seek an offer-in-compromise.
- In FY-96, nearly 2.7 million taxpayers set up installment agreements, and the IRS collected over \$6 billion in installment payments. This compares to 1.5 million taxpayers and \$2.28 billion in payments in FY-92.
- In FY-96, the IRS accepted over 27,000 offers in compromise, worth \$287 million. This compares to just under 2,000 offers and \$37 million in FY-91.

Less Paperwork

- IRS eliminated 12 notices in FY-96, resulting in 18 million fewer notices issued. In FY-97, it eliminated 20 notices and letters, with 22 million fewer mailouts.

New Leadership

- The President's nominee for IRS Commissioner is a business executive with an information technology background.
- The IRS Chief Information Officer has assembled a new team to modernize the IRS information architecture.
- A new assistant commissioner for electronic tax administration begins work in October 1997.

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